

# Common Sense

AMERICA'S NEWSPAPER AGAINST COMMUNISM

Copyright Registered 1948 United States Patent Office.

"The Truth, the whole Truth and nothing but the Truth!"

Without fear or favor,

Conrad A. Bailey  
FOUNDER AND EDITOR

SUBSCRIPTION RATES:

Plain envelope, unsealed \$1.  
Plain envelope, sealed \$3.  
Foreign & Canada, (10 mos.) \$1.

Issue No. 388 (17th Year)

July 1962

Second Class Postage Paid at Union, New Jersey, U.S.A.

FIVE CENTS

## The Enemy Within

Republished from—

Economic Council Letter No. 530

By Merwin K. Hart, President

National Economic Council

When President Kennedy, like Jove, wrathfully loosed his bolts of thunder and lightning at the offending head of Roger Blough, he thought he was closing an issue. However, he was opening up a far greater one, because he let loose an avalanche.

The avalanche was a long time piling up and it will be a long time before all its effects are over.

At first people were stunned, but a few days later the avalanche was loosed, by way of the stock market. The causes were many. The outflow of gold, the debt burden, the piling up of one new and unnecessary spending program after another, the farm bill with its provisions for a summer resort on every farm, the urban programs with their threat to the freedom of State and local government, the public works bill (or slush fund) all helped pile up the pressure before the avalanche broke.

In addition we have had constant courting of the labor and left-wing groups with their emphasis on reckless spending, also punitive investigations of the stock exchange, the shocking imprisonment of individual business men for technical violations of the anti-trust laws, and the lurid light cast by the Billie Sol Estes case on who gets what, from the farm program. The investigation of the stockpiles of so-called strategic materials probably had much more serious effects, beginning with the commodity markets, than is generally realized.

First and foremost we would put the gold outflow. Day-to-day fluctuations are meaningless. The simple fact is that no mathematical wizard could possibly divide our present gold supply so it covers our obligations of honor to holders of dollars in foreign countries and our legal obligation to maintain a gold reserve for our dollar. Foreign claims and the needs of the gold reserve simply add up to more than there is in the government stores, and these claims are growing as foreign aid, military expenditures abroad, and the volume of money in circulation keep increasing.

The great importance of gold is that it is the way debts are settled with foreign creditors. Foreign governments, foreign banks, and business men know the truth. Governments can invent myths for home consumption, but foreign creditors look only at the cold facts. Propaganda washes off them like water off a duck's back.

There is much talk of "confidence," as if "confidence" was something chatty to be turned on or off. "Confidence" is influenced by everything which affects the economy. It is a kind of summing-up, a resultant. It is the buyer's or seller's best judgment of what the future will bring.

Today government is the most important single influence on the future of the economy. So "confidence" is a measure of what people believe the government is going to do. If people believe the government is going to waste their money as recklessly as the courtiers of Louis XV, who said "After me

SURROUNDED and CONTROLLED



President John F. Kennedy

Some observers think Kennedy believes in his program while others, knowing he has trapped himself, he dares not oppose the Americans for Democratic Action (ADA) and Council on Foreign Relations (CFR).

the deluge," their confidence in the future will be low. Pep talks by government officials who are wasting our substance have no effect whatever on worry over what reckless spending will do to the future of our country.

Like an ominous shadow the threat of disarmament looms above all the other worries. Congress and the experts "know" disarmament is impossible, but people at a distance from illusions of the political fray know it is not impossible at all. They know disarmament (in one or three or any stages) must mean deflation and unemployment and domestic spending, or stepped-up spending for bigger foreign giveaways to precisely those nations which will give us no help whatever if we ever need help.

Instead of facing up to the cold, harsh reality of the gold situation, our government is asking for more money for foreign "aid," well knowing that that must increase the pressure on our gold reserves. It offers palliatives, like a global Federal Reserve System, and the use of counterpart funds as reserves to hold off the Days of Wrath. But no competent person is fooled by such talk.

What happens when a government is losing gold and keeps on its chosen path instead of retrenching? We know what happened to Germany in the 20's, to France again and again, most of the countries of Europe. Fiscal irresponsibility is not new. It is very old.

Our people know that fiscal irresponsibility, if continued, is followed by economic breakdown, cruel suffering, especially among the poor, and then by political upsets, even including revolution.

We are being told by the Kennedy brain trust that ours is a new economic era, that only "sophisticated" people understand the workings of the "new" economics, and that confidence in the old doctrines of a balanced budget and fiscal responsibility are "myths." We are warned that opponents of

—o— Please turn to page 2 —o—

## FDR Secret Letter To Joe Stalin

Often the past gives us an idea of what to expect in the future. This unusual letter gives a picture of the plans during the reign of F. D. R.

F. D. R. had allowed the Jews to surround him and they were directing our important moves just as the Jews who surround Kennedy are doing today. During Kennedy's campaign for election he stated over and over that he would take up where F. D. R. left off. He said this over Roosevelt's grave at Hyde Park.

Editor—Common Sense

\* \* \* \*

### F.D.R. SECRET LETTER TO STALIN

(through his private emissary, Zabrowsky) published in the Los Angeles Times on July 25, 1950. This was first published in the leading Paris, France, newspaper.

My Dear Mr. Zabrowsky:-

As I have already personally said to you and to Mr. Weiss, I am profoundly moved by the fact that the National Council of Young Israel has had the extreme kindness to offer itself in the role of intermediary, between me and our mutual friend Stalin, and at that at a moment so delicate that any danger of friction in the framework of the United Nations—created at a cost of so many sacrifices—would have fatal consequences for all, and more particularly for the Soviet Union.

It is, therefore, to your interest and to ours to smooth out the rough corners, which will be difficult with Litvinov, to whom, to my great regret, I have had to give warning that whoever tangles with Uncle Sam winds up by suffering for it, a warning which applies equally to foreign affairs as well as internal affairs.

The Soviet pretensions, insofar as they concern Communist activities in the states of the American Union are, in effect, doubly intolerable.

Timochenko has shown himself much more reasonable during his short but fruitful stay here, and I hope that a new interview with the marshal will be a rapid step toward that exchange of viewpoints with Stalin which I consider among the most urgent, especially when I think of all the good that has resulted from the Stalin-Churchill meetings.

THE UNITED STATES AND GREAT BRITAIN ARE DISPOSED—WITHOUT ANY MORAL RESERVATION—TO GIVE ABSOLUTE EQUALITY OF VOTE TO THE U. S. S. R. IN THE FUTURE ORGANIZATION OF THE POSTWAR WORLD.

It (Russia) will be a member—as the British prime minister made it known to him (Stalin) from Adana in sending him preliminary plans—of the directing group in the framework of the council of Europe and of the council of Asia, to which it is entitled, not only by reason of the extensive intercontinental situation of the U. S. S. R., but also and especially because of its magnificent struggle against Nazism which will merit the plaudits of historians.

—o— Please turn to page 4 —o—